

DEEP DIVE INTO



FRENCH RETAIL
GROWTH DRIVERS



28.11.2017

DEEP DIVE INTO FRENCH RETAIL GROWTH DRIVERS



Bernardo Sanchez Incera
Deputy CEO



Philippe Aymerich
Head of Credit du Nord

**PROFESSIONAL
CLIENT BASE**

Stay ahead and develop new growth drivers on our strong **Professional client base**



Laurent Goutard
Head of Societe Generale Retail Banking in France

**CORPORATE/
BANCASSURANCE**

Capitalise on the Group's strengths and expertise to grow fees on our **Corporate client base**

Capture the full potential of the integrated **Bancassurance** model



Marie-Christine Ducholet
Head of Clients for Retail Banking activities in France

**WEALTHY AND MASS
AFFLUENT CLIENTS**

Address our high-end client base through a dedicated **Wealthy clients** set-up



Benoît Grisoni
Head of Boursorama

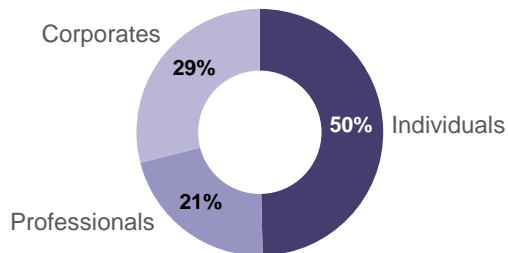
BOURSORAMA

Be at the forefront of high online banking growth thanks to the leadership positioning of **Boursorama**

CORPORATES AND PROFESSIONALS: A STRONG LEVER FOR GROWTH

Geared towards Corporates and Professionals: 50% of French retail revenues

2016 revenues breakdown
by type of client



Number of clients

(end Sept. 2017)



Ambitions

**~+ EUR 400m
revenues
by 2020**

Positive outlook for the markets

**SUPPORTIVE ECONOMIC
ENVIRONMENT**

**DYNAMIC AND DIVERSIFIED MARKETS
REQUIRING SPECIAL EXPERTISE**

**SPECIFIC EXPECTATIONS FOR EACH
SUB-SEGMENT**

FRENCH RETAIL
GROWTH DIVERS



PROFESSIONALS

CREDIT DU NORD: A LONG-STANDING AND UNIQUE PARTNER TO PROFESSIONAL CUSTOMERS

A dynamic market requiring special expertise

- **Growing French market**
+190,000 companies created in 2016
36% of total French firms' revenues
- **Fragmented market**
Several market sectors
New forms of entrepreneurship
- **Specific expectation**
Combination of professional and personal needs

BEING A STRONG PARTNER IS PART OF OUR DNA
"LA BANQUE DE CEUX QUI ENTREPRENNENT" (1)

A TOP PLAYER



No. 2 customer satisfaction
Main banker for 70% of clients

Segments of excellence: very small enterprises, independent professionals, legal, property administrators, chartered accountants



Dynamic commercial trend
CAGR +3.5% client increase on targeted sub-segments since 2011



Solid profitability
>35% of Credit du Nord revenues
Controlled cost of risk

BESPOKE ORGANISATION



Comprehensive local structure
Meeting the market's needs
Bankers and experts very close to clients
Shared expertise



Fast decision-making and execution process



Global solutions
Covering personal and professional banking needs

(1) The Bank for Entrepreneurs

OUR STRATEGY: STAY AHEAD AND DEVELOP NEW GROWTH DRIVERS

Client-centric data-driven approach

- Staff offering **greater, more specialised expertise**
- **Mobile** advisors, visiting clients
- **Dedicated account manager to build long term relationships**
- **Innovation** in Marketing and Technology

Digitalisation of customer relations

- **Paperless** customer experience and processes
- Efficient **self-care** tools
- 1st bank entitled to let clients use **vocal identification**



Products and services Bank as a platform

- **Expanded product/service range, partnerships** with Societe Generale
- Simplified management of Pro accounts, project financing and development of personal and professional assets
- **OPEN** Banking model

A trusted partner

- Reaffirmed role as a **local facilitator**: Regional structure allows for quick decisions and the agility to experiment and adapt to new kinds of relationships

FRENCH RETAIL
GROWTH DIVERS



CORPORATES

SOCIETE GENERALE: LEVERAGE AN EFFICIENT SET-UP TO PROVIDE STRATEGIC ADVICE AND GLOBAL SOLUTIONS TO CORPORATES

Positive outlook for the market

Supportive economic environment

Confirmed improvement in all sectors

Increasing developments and investments

Rising business confidence

Positive outlook for order book

SOCIETE GENERALE: REGIONAL EXPERTS SUPPORTED BY A GLOBAL BANKING GROUP

PROXIMITY AND EXPERTISE



Proximity

8 regional platforms
1,100 relationship managers



Expertise

~400 business experts
dedicated to SMEs
Specialised back offices

GLOBAL SOLUTIONS

Societe Generale Entrepreneurs



CLIENT ACQUISITION

+9% increase in number of clients since end-2014
Significant penetration rate on large corporates and export-oriented corporates

CAPITALISE ON THE GROUP'S STRENGTHS AND EXPERTISE TO GROW FEES

SOCIETE GENERALE RECOGNISED EXPERTISE



Leader in International Trade

Societe Generale accompanies
1 out of 3 French companies that export



Leader in global transactions

No.1 on Forex with corporates for 10 years,
Best international trade finance provider in France
and Western Europe, Best cash management in
France and Western Europe



Societe Generale Mid-Cap Investment

Banking: Offering full range of Investment
Banking services, No.1 in French ECM and
in French DCM Corporate in 2016, No.1 in
LBO financing⁽¹⁾



Real Estate expertise

Sogeprom No.8 real estate developer

AMBITIONS

Accompanying Corporate development in France and abroad

- Leverage **Global Transaction Banking**
- Promote an international **cash management** offer focused on European countries
- **Consolidate leadership in Trades**

Being the partner of entrepreneurs with a dedicated Investment Bank

- Specific Joint Venture between the retail network and CIB
- Offer corporate finance at every stage of corporate strategic and wealth development
- **Foster SG Entrepreneurs' development**

Participating in new infrastructure financing opportunities

- **Large-scale infrastructure projects in Paris and main French cities**
- Expand Real Estate offer, **advice and financing**

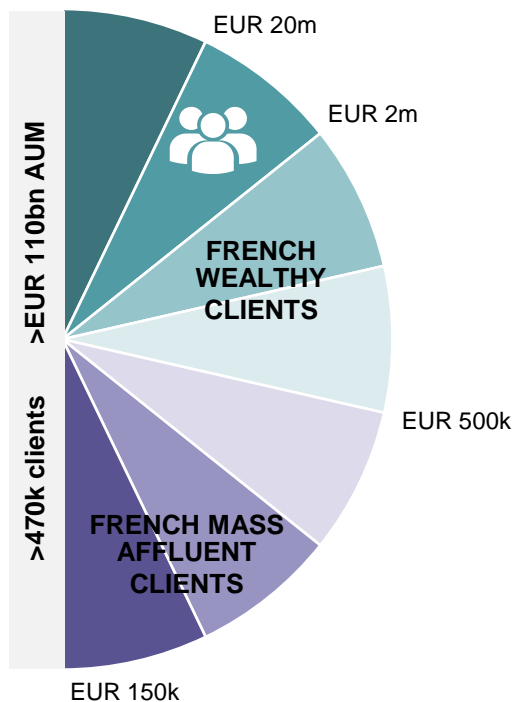
(1) For LBO with an EBITDA > EUR 25m in 2016

FRENCH RETAIL
GROWTH DIVERS



**WEALTHY AND MASS
AFFLUENT CLIENTS**

LEVERAGE PRIVATE BANKING EXPERTISE TO SERVE WEALTHY AND MASS AFFLUENT CLIENTS



PRIVATE
BANKING
FRANCE



FRENCH
RETAIL MASS
AFFLUENT
CLIENTS



- Launch of "new" Societe Generale Private Banking France in 2014 (clients > EUR 500k AUM)
- Bringing to clients:
 - a **bespoke coverage** at the choice of the client
 - a **holistic approach** to wealth management
 - an access to a full suite of services and **innovative solutions**
 - leverage of **intra-group expertise** (Lyxor, investment bank, insurance) and access to open architecture
- AUM 2013-2016 CAGR of ~3.5%
- Revenues 2013-2016 CAGR of ~6%

- Next phase : a combined approach to more broadly serve mass affluent clients' needs

NEXT PHASE : A COMBINED APPROACH TO MORE BROADLY SERVE MASS AFFLUENT CLIENTS' NEEDS

IMPLEMENT A SET-UP DEDICATED TO FRENCH MASS AFFLUENT CLIENTS

Capitalise on Private Banking France expertise

- Reinforcement of coverage and upgrading of expertise
- Access to sophisticated solutions, diversified products and innovative tools

Premium offer

- Dedicated insurance and banking products
- Fully-fledged digital offering
- Diversified product offering: access to the best Asset Management solutions in each asset class

A DEDICATED SET-UP

of 675 specialised bankers in Societe Generale network dedicated to mass affluent clients' needs

400k clients and > EUR 55bn AUM

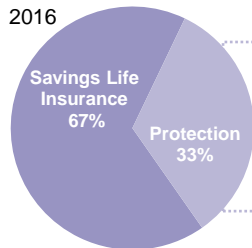
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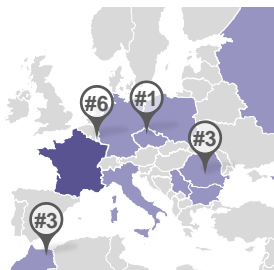
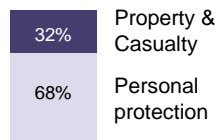
BANCASSURANCE

INTEGRATED BANCASSURANCE BUSINESS MODEL WITHIN SG GROUP

Revenues
2016



Comprehensive product range



Strong position

- No.5 French bancassurance
- EUR 113bn AUM as of 9M 17 (26% in Unit-Linked)
- EUR 1.4bn protection premiums
- 22m Contracts

Strong generation of cross-selling revenues EUR 1.8bn in 2016

Successful track record and proven resilience

CAGR 2013 – 2016:

- Revenues = +6%
- Protection premiums = +4%
- Unit-linked Asset under Management = +11%

Significant growth potential

- Strong potential to increase protection equipment rates in all markets
- Set up a digital bancassurance model
- Boost innovation and move to a data-oriented model



International market rankings in life insurance

BANCASSURANCE OFFERS SIGNIFICANT GROWTH POTENTIAL FOR FRENCH NETWORKS

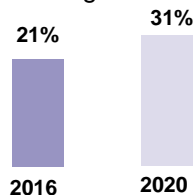
GROW & INCREASE VALUE FOR CLIENTS

- Accelerate digital transformation and real time interactions
- Develop services and adapt offer to foster protection equipment rate
- Promote enhanced insurance solutions tailored to client needs

AMBITIONS FOR BANCASSURANCE IN FRANCE

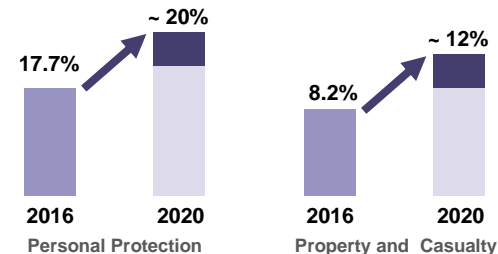
Growth in Savings life insurance

- Unit-linked share in Asset under Management



- Asset under Management: +2% CAGR 2016-2020 (of which +12% in unit-linked)

Growth in personal protection



Customer equipment rates in French retail networks

Cross-selling revenues ~+6% CAGR 2016-2020

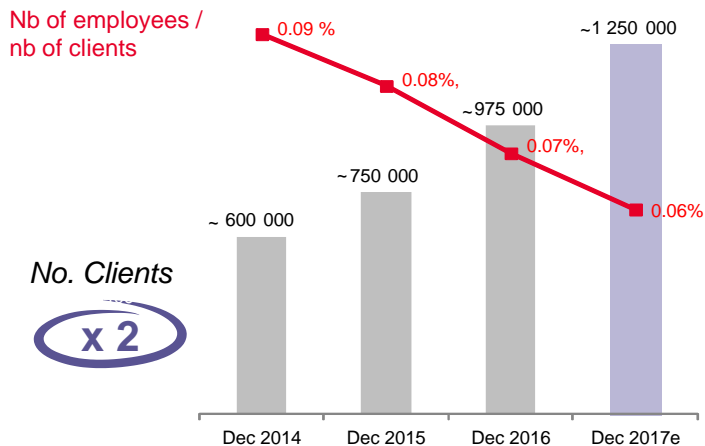
FRENCH RETAIL
GROWTH DIVERS



BOURSORAMA

A STRONG AND PROVEN GROWTH MODEL

A strong growth model with increasing efficiency



No. Clients

x 2

Sept 2014

Cash Deposits
EUR 4.2bn

Loans
EUR 2.6bn

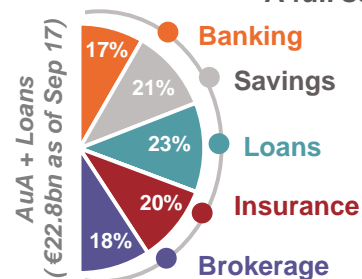
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Sept 2017

Cash Deposits
EUR 8.1bn

Loans
EUR 5.3bn

A full service banking

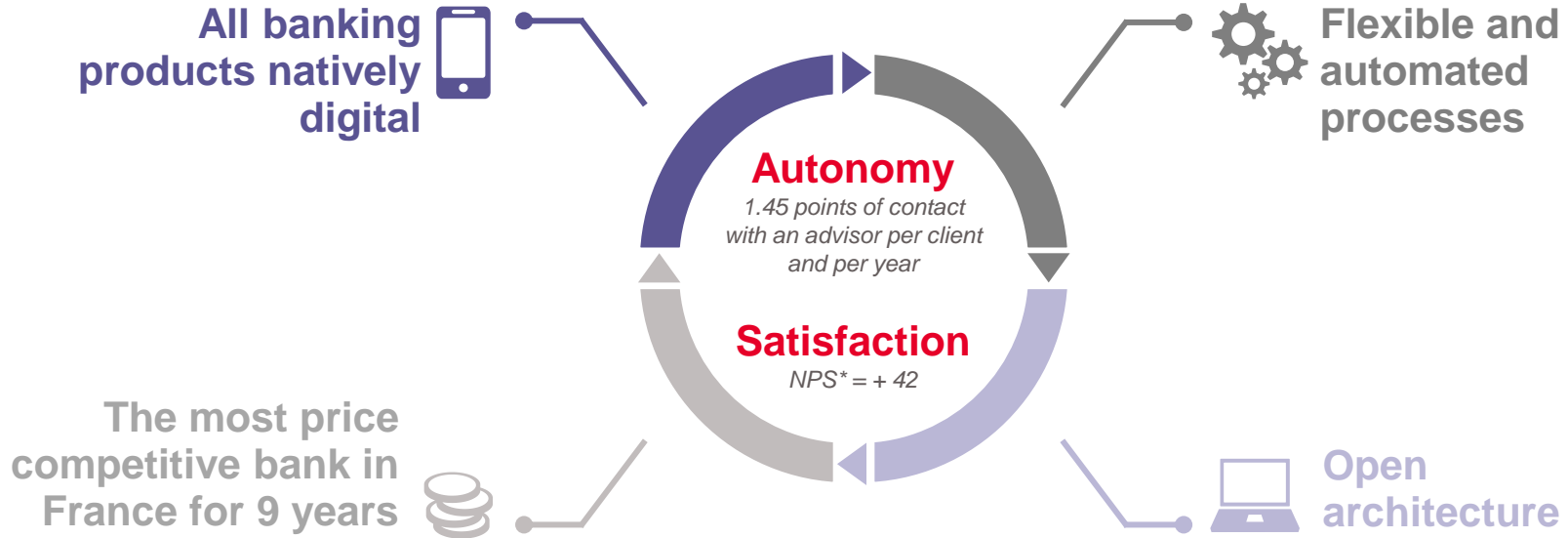


A strong client base

- Young:** 39 years old on average
- Urban:** 38% in Paris area
- High socio-professional category:** 36% executive, average income ~ EUR 40k
- Satisfied:** satisfaction rate > 90%
- Active:** 18 transactions a month

WHAT MAKES US UNIQUE?

A CLIENT-CENTRIC MODEL AND A VIRTUOUS OPERATIONAL MODEL



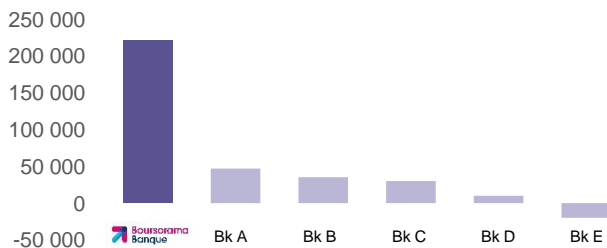
* Net Promoter Score

STRONG GROWTH AHEAD, SUPPORTED BY A FLEXIBLE BUSINESS MODEL

Number of existing clients - French online banks (Sept. 17 est.)



Number of new clients for 2016 (est.) - French online banks



Source : Press, companies

2020 TARGETS

- **More than 2m customers**
 - Asset under Management ~ EUR 22bn
 - Loans ~ EUR 13bn

**A profitable and sustainable
business model**



**A third of the cost base
= marketing expenses**



QUESTION TIME

MAIN TARGETS

FRENCH RETAIL BANKING

- Revenue CAGR 2016-2020: >+1%
- Operating Expenses CAGR 2016-2020: <+1%
- 2020 C/I Target: <65%
- 2020 RONE Target: ~14.5%

FRENCH RETAIL CLIENTS

CORPORATE AND PROFESSIONAL CLIENTS

- ~ + EUR 400m revenues by 2020

WEALTHY AND MASS AFFLUENT CLIENTS

- > + EUR 200m revenues by 2020

BANCASSURANCE FRANCE

- Cross-selling revenues ~+6% CAGR 2016-2020

BOURSORAMA

- More than 2m customers by 2020

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These forward-looking statements are based on a series of assumptions, both general and specific, in particular the application of accounting principles and methods in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union, as well as the application of existing prudential regulations.

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- evaluate the extent to which the occurrence of a risk or a combination of risks could cause actual results to differ materially from those provided in this document and the related presentation.

Therefore, although Societe Generale believes that these statements are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, including matters not yet known to it or its management or not currently considered material, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among others, overall trends in general economic activity and in Societe Generale's markets in particular, regulatory and prudential changes, and the success of Societe Generale's strategic, operating and financial initiatives.

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